

Muhlenberg County Water District

P.O. Box 348 ♦ Greenville, Kentucky 42345

270.338.1300

May 8, 2008

Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

MAY 6 2008

PUBLIC SERVICE
COMMISSION

**RE: Case No. 2008-00150
Formal Application for Tariff Revisions and Non recurring Charges**

This letter is in response to a notice of rejection in Case No. 2008-00150, an application to revise its tariff and non recurring charges. The following is the responses to the letter of rejection.

Attached are the non-recurring charge cost justifications. See Section D of the non recurring charge section of the tariff, for a full description of the items for which the rate change is proposed,

As stated in the cover sheet, of the original filing, Muhlenberg County can no longer absorb the increasing cost of the non recurring charges. The charges do not generate over 5 percent of the current revenue. In fact, non recurring charges are revenue neutral, since the income is equal to the cost of providing the service. In any event, the District can no longer absorb increased costs attributable to certain non-recurring charges. The customers affected by these increases will be the customers that cause the District to incur these additional expenses.

Muhlenberg County Water District is a water district and a copy of the public notice is included in the original filing. The District made every effort for the notice to meet requirements. Ultimately it will be the decision of the Commission as to whether the notice meets requirements. Direct mailing is not required since the Muhlenberg County Water District is not a Sewer utility.

In responding to the 30 days notice given to the Commission, the District did not include an effective date on its tariff. The district intended to not include an effective date. It is our understanding that if no effective date is shown on the tariff then the 30 days notice does not apply.

A copy of this application and related filings has been sent to the Office of the Attorney General, State Capitol Building, Suite 118, Frankfort, KY 40601.

Very truly yours,


Tommy Woodruff, Manager
Muhlenburg County Water District

enclosures

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Disconnect/Reconnect, Service Investigation, Field Collection

1. Field Expense:

A. Materials (Itemize)

_____ \$ _____

B. Labor (Time and Wage)

.75 hours 12.00

Total Field Expense **\$ 12.00**

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor _____

Total Clerical and Office Expense

3. Miscellaneous Expense

A. Transportation **\$ 23.50**
(50 * .47 cents per mile)

B. Other (Itemize)

Total Miscellaneous Expense **\$ 23.50**

Total Nonrecurring Charge Expense **\$ 35.00**

**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility Muhlenberg Co. Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch

3/4-Inch

1-Inch

1 1/2 -Inch

2-Inch

Actual Cost

Other (specify) _____

B. Materials Expense

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	<u>1</u>	<u>116.00</u>	<u>116.00</u>
2. Meter Yoke	<u>1</u>	<u>59.60</u>	<u>59.60</u>
3. Corporation Stop	<u>1</u>	<u>14.61</u>	<u>14.61</u>
4. Meter Box and Top	<u>1</u>	<u>23.00</u>	<u>23.00</u>
5. Miscellaneous Fittings	_____	_____	_____
6. Other (Itemize) <i>saddle</i>	<u>1</u>	<u>25.00</u>	<u>25.00</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

TOTAL MATERIALS EXPENSE
(add total cost)

\$ 238.00

C. Service Pipe Expense

Type of Service Pipe PE Size of Service Pipe 5/8 x 3/4

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>4</u>	<u>.18</u>	<u>.72</u>
2. Long Side Service	<u>70</u>	<u>.18</u>	<u>12.60</u>

AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2) \$ 6.66

D. Installation Labor Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>3</u>	<u>32.50</u>	<u>97.50</u>
2. Long Side Service	<u>6</u>	<u>32.50</u>	<u>195.00</u>

AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2) \$ 146.25

E. Installation Equipment Expense (Backhoe)

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>7</u>	<u>18</u>	<u>126</u>
2. Long Side Service	<u>6.2</u>	<u>18</u>	<u>135</u>

AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2) \$ 130.50

F. Installation Miscellaneous Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	<u>1</u>	<u>25.00</u>	<u>25.00</u>
2. Site Clean-Up	<u>1</u>	<u>27.20</u>	<u>27.20</u>
3. Other			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost) \$ 52.50

G. Overhead Expense

1. Installation expense (\$ 288.05) times overhead rate (5 %) \$ 14.40

H. Administrative Expense

1. Office expense for establishing a new account and billing record. \$ 25.00

I. Total Expenses

Materials Expense \$ 238.00
Service Pipe Expense 6.66
Installation Labor Expense 146.25
Installation Equipment Expense 130.50
Installation Miscellaneous Expense 52.50
Overhead Expense 14.40
Administrative Expense 25.00

TOTAL CONNECTION EXPENSE \$ 620.00

USE

NOTICE

Muhlenburg County Water District proposes to make the following revisions to its schedule of charges. The proposed effective date for the changes is May 18, 2004.

Charge	Current Charge	Proposed Charge	% Increase
Reconnect/Disconnect	22	35	.59
Meter Reading Recheck	5	0	0
Meter Test	10	0	0
Investigation	10	35	2.5
Field Collection	10	35	2.5
Fire Hydrant	2,674	Actual Cost	
Returned Check	10	25	1.5

The charges/rates contained in this notice are the charges/rates proposed by the Muhlenburg County Water District. The Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this fee change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings by contacting the water district.

The Water District has available for inspection at its office the proposed changes to its Rules and Regulations. The office phone number is 270-338-1300.

This notice is published pursuant to 807 KAR 5:011-Tariffs.

Muhlenburg County Water District